



**City of San Diego**

# **Corporate Partnership Program Update**

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**Presented by:**

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**Corporate Partnership Program (CPP)**



# Department Goals and Responsibilities

The Corporate Partnership Program (CPP) develops mutually beneficial business arrangements between the City and organizations to generate non-tax revenue or new resources for the City and provide marketing benefits for the partners.



# Department Goals and Responsibilities

The Department also provides oversight, guidance and approvals for City departments for the use of City trademarks, intellectual assets and endorsements.

**NEW:** The currently vacant Grants Program Manager position was transferred to the Corporate Partnership area from Business Administration in order to more effectively leverage funding efforts.



# Restructure

The Corporate Partnership Program (CPP) was restructured in September 2011 and again in October 2012.

- Immediate revenue was realized with the addition of 5 new, multi-year partnership programs in FY12. The partnerships represent:
  - an estimated \$2.8 million in cash and in-kind value, and
  - an additional \$4.5 million if renewed
- In addition to traditional procurement-related and public service sponsorships, CPP expanded to include marketing-based sponsorships and programs
- CPP is finalizing an agreement with a national marketing agency to tap into national funding opportunities



# Successful Partnerships = Renewals

The restructure allowed the program to grow and generate new revenue and renewals by allowing the Director to:

- Actively solicit and negotiate partnerships
- Manage and participate in external agency negotiations
- Create and foster beneficial relationships

*It requires eight times the resources to replace a sponsor than to renew the partnership.*

Beyond delivering what was promised, the key factor in renewing sponsorship deals is how well we can service the relationship.

**NO Return on Investment = NO Renewal**



## Current Partnerships

**Service Line:** Secured marketing partnership and revenue share agreement with Utility Service Partners for 3 years with one 2 year option. \$800,000 projected revenue to City; \$1.6 million if renewed.

**Vending:** Secured agreements with Canteen Vending for Beverage Vending and Snack Vending for 5 years. \$1.3 million projected revenue.

**Vehicles:** Secured agreement with Toyota for 34 vehicles for Lifeguard fleet for 2 years with one 2 year renewal option. \$550,000 value; \$1.1 million if renewed. Auction of replaced vehicles generated additional \$257,000.





## Current Partnerships

**Wireless:** Secured Sprint partnership for 2 years with three 1 year renewal options. \$200,000 value; \$500,000 if renewed.

**Banking:** Secured San Diego Metropolitan Credit Union preferred partnership program for a 1-year term for \$25,000.

**Information Technology:** Assisted DoIT in securing \$213,000 in-kind value services from Microsoft for Office 365 Migration Project.



## Current Partnerships

**Production:** The location use agreement between the City and LMNO Production featured Lifeguards from Southern CA beach cities for a show on the Weather Channel. The City received \$37,000 for participation.

**Recycling:** The Environmental Services “Dare to Reuse” recycling contest for kids in City schools was sponsored by WAXIE. The exhibit at the New Children’s Museum featured the winning art and made possible by WAXIE.

**EA Sports:** The City receives \$20,000 annually for licensing the use of the Torrey Pines Golf Course logo in golf gaming products.





## Key Revenue Impacts

**Utility Service Partners Service Line:** Provided the City with an advance of \$121,000 in June 2012 to meet the revenue goals for FY12. Program was expected to launch by early September. *Due to the delay in application approval, the City has not yet received FY13 revenue. These projections are being pushed to FY14 based on a revised summer launch date.*

**Canteen Beverage Vending and Snack Vending:** Provided the City with an advance of \$130,000 in FY12 to meet the goals of the program for FY12. *Commission projections for FY13 have not been met due to various installation issues and an advertising revenue short-fall. FY13 projections are being pushed to FY14. Implementation issues are being addressed as well as the strategy for advertising sales.*



# **In-Progress Partnerships**

## **Public Bikesharing Program**

- Proposals received were reviewed by committee that included City Transportation Department, SANDAG, and the San Diego Bicycle Coalition
- Contract negotiations are pending.
- Capital investment costs to be invested by company is an estimated \$7.2 million with all additional operating/maintenance costs also incurred by company.
- City will receive revenue share after capital investment cost is recovered.

A phased launch of the program is expected start within 3-5 months from contract execution.



# In-Progress Partnerships

**Park & Recreation Centers:** National agency opportunities, marketing program opportunities including dog parks and youth programs *(in development)*

**Library:** Soliciting funding for library literacy program *(in progress)*

**Environmental Services:** Solar Trash and Recycling Compactors *(finalizing proposal)*



## **Plans and Recommendations**

- Propose revisions to City Council Marketing Partnership Policy 000-40 and Product Endorsement Policy 000-41.
- Evaluate CPP goals to focus on programs that will bring the most benefit to the City in addition to General Fund off-sets.
- Create a City-wide menu of projects, programs or services available for funding to assist in matching the interests of and obtaining funding from corporate, foundation, local, state or federal sources.
- Explore amending the sign ordinance to allow for sponsorship advertising of public service related programs.



**City of San Diego**

**THANK YOU**